

DEPARTMENT OF STATE
WASHINGTON

April 9, 1981

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Dear Mr. Stockman:

Since your letter of March 25 in which you proposed a way to fund a Pakistan security assistance package in FY 1982 without increasing outlays, we have held further discussions with Pakistani officials. At this time we see no requirement for FMS financing in FY 1982. With passage of the Symington Amendment legislation proposed by the Administration, however, we would plan to initiate a \$600 thousand IMET program in FY 1982. The question of the \$100 million ESF program in FY 1982 remains open and will probably not be decided before the latter half of April after the visit of Pakistani Foreign Minister Shahi. We think it likely the Pakistanis will want quick disbursing ESF. For foreign policy reasons we would want to be responsive and thus help construct a new relationship with this key country.

When final decisions are made, we will be back to you with a firm proposal on how the program can be carried out without an increase in FY 1982 budget outlays. We would plan to absorb the IMET program within the current levels as you proposed but believe we can find alternatives to cutting back our proposed ESF Special Requirements Fund, a step I am very reluctant to take, or reprogramming funds from refugee accounts and PL-480. In fact, Frank Carlucci has agreed to transfer \$100 million from Defense's 050 account (fuel costs) to the security assistance account so that we do not have to cut back on the Special Requirements Fund.

Sincerely,

William P. Clark
Acting Secretary

Drafted by
PH/SAS:R
4/5/81

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY: JMB DATE: 4/15/81

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